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## Newsletter - 1996-04-18

E. De la Garza

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# NEWSLETTER

104-1556

18 April 1996

Washington, DC

**THE NEW FARM LAW.** Congress has passed and the President signed into law the Federal Agriculture Improvement and Reform Act. The bill is quite extensive in its scope. Because of the interest in this legislation by farmers in the 15th District, I am providing the following highlights:

**CROPS** -- Growers of corn, other feed grains, cotton, rice and wheat receive guaranteed and declining market transition payments over seven years. The government no longer requires land to be idle or denies payments if farmers switch crops.

**FUTURE OF AGRICULTURE** -- After 2002 a commission would recommend the future of agriculture policy. However, the 1949 Agricultural Adjustment Act is maintained as the underlying permanent law, and would take effect unless Congress enacts new legislation. Permanent law ensures that Congress could not simply let programs end.

**DAIRY** -- Ends special tax on dairy producers and phases down government support price for butter, powdered milk and cheese over four years. USDA merges regional pricing arrangements known as Federal Milk Marketing Orders over three years.

**NUTRITION** -- Reauthorizes food stamp program until September 30, 1997 while Congress works to overhaul welfare.

**CONSERVATION** -- Retains Conservation Reserve Program, which keeps environmentally sensitive farmland out of production by paying landowners 10-year leases. Keeps Wetlands Reserve Program but puts more land under temporary rather than permanent easement. Creates programs to help producers fight water pollution.

**RURAL DEVELOPMENT** -- Creates \$300 million "Fund for Rural America" sought by the Administration to expand economic opportunities for rural Americans. The funds will be split equally among three areas: rural development, research, and an amount to be used at the discretion of the Secretary for research or rural development. The Secretary can use the Fund for Rural America for a range of rural development activities, including rural business enterprise grants, direct loans, loan guarantees, grants to water and waste water projects, distance learning and telemedicine loans and grants, self-help housing, and rural housing preservation.

**RESEARCH** -- Research programs continue for two years until changes can be proposed. The bill establishes an independent, 15-member panel to review the capacities of 107 federal research locations and the facilities at 76 land grant universities. This will be the USDA Strategic Planning Task Force. They will give the Secretary a 10-year strategic plan for development, modernization, construction, consolidation, and closure of federal agricultural research facilities and those proposed to be built with federal funds.

The Farm Bill Almanac will be updated to reflect important planning dates, deadlines, and policies you need to know to participate in USDA's programs. Some initial scheduling information about implementing the new bill follows:

<b>By April 18</b>	The Secretary will announce a two- to four-week window during which producers may obtain catastrophic crop insurance coverage for a spring-planted crop. Insurance policies obtained during this window will be effective 10 days after the producer makes application.
<b>Late April</b>	Initial 1996 peanut program quotas will be mailed to operators. USDA will also notify operators and owners about out-of-county transfer provisions and procedures for implementing transfer limitations.
<b>Early May</b>	FSA will provide farm base and yield notices to producers. These will be the basis for computing commodity payments under the bill.
<b>May 1</b>	Dairy marketing assessments end. USDA will make applicable refunds for the 1995 and 1996 marketing years at a later date.
<b>Late May-mid July</b>	USDA will begin sign-up for producers to enroll farms and sign Production Flexibility Contracts. Thirty days after FSA approves contracts, advance 1996 payments will be made.
<b>August 1</b>	Deadline for sign-up. No one can sign contracts after this date, except those with expiring CRP contracts. <i>NOTE: Congress mandated that there be a one-time sign-up period for the entire 1996-2002 period. Except for CRP, producers who miss this one sign-up will not be eligible to enroll the farm at a later date.</i>
<b>Early Fall</b>	USDA will allocate temporary seed quota for the 1996 peanut crop year to producers.
<b>September 30</b>	Final 1996 payments will be made to producers.
<b>December 15, 1996 or January 15, 1997</b>	1997 crop advance payments may be made, at the option of the producer.

This will provide you with a very general overview of this legislation which definitely is the most historic change in American agriculture policy since the 1930s. If you are looking for more in-depth information or have questions please do not hesitate to contact my Washington office. I will certainly do my best to provide you with the information.

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